



**MINUTES
CITY COUNCIL MEETING
April 5, 2022**

CALL TO ORDER

The meeting was called to order at 6:35 pm.

Present: Mayor: Charlie Miner; Council: Jahn Dyvik, Gina Joyce, and Deirdre Kvale

Staff Present: City Administrator: Scott Weske; and City Clerk: Jeanette Moeller

Absent: Council: Mike Feldmann (with prior notice)

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENTS – LONG LAKE NEWS, MEETING REVIEW AND UPDATES

Mayor Miner noted that the Council had just finished a Work Session meeting where they discussed some potential litigation regarding to Landings at Long Lake and sale of the property at 340 Willow Drive N which is also known as Long Lake Fire Station #1.

APPROVE AGENDA

A motion was made by Dyvik, seconded by Joyce, to approve the agenda as presented. Ayes: all.

CONSENT AGENDA

The Consent Agenda consisted of:

- A. Approve Minutes of March 15, 2022 City Council Work Session Meeting
- B. Approve Minutes of March 15, 2022 City Council Meeting
- C. Receive Unofficial Draft Minutes of March 8, 2022 Planning Commission meeting
- D. Approve Vendor Claims and Payroll
- E. Adopt Resolution No. 2022-15 Appointing Public Works Maintenance Worker I Matthew Menard as a Regular Employee Recognizing Receipt of a Satisfactory Evaluation of his 12-month Probationary Period; and Approving Changing Mr. Menard's Salary to Step 3 of the 2022 Salary Plan Effective April 13, 2022
- F. Receive 4th Quarter 2021 Revenues and Expenditures

A motion was made by Miner, seconded by Dyvik, to approve the Consent Agenda as presented. Ayes: all.

OPEN CORRESPONDENCE

No one was in attendance to address the City Council during Open Correspondence.

BUSINESS ITEMS

Receive and Accept the 2021 Audited Financial Report

Andy Berg, Abdo, reviewed the City's 2021 Financial Report. The City had received an unmodified clean opinion through the audit process, and the one instance highlighted in the report of non-compliance for uncollateralized deposits at the bank has already been addressed by staff. He mentioned that due to the City's size it is very common to have internal control findings for things like preparation of financial statements and limited segregation of duties as well as a legal

compliance finding for collateral coverage. He presented detailed information and answered Council questions related to General Fund balances; budget to actual; revenues and expenditures by type; Special Revenue Fund balances; Fire Department Fund budget to actual; Capital Projects Fund balances; Debt Service Funds; Water Fund; Sewer Fund; Surface Water Fund; Recycling Fund; cash and investments balances by fund type; and reviewed key performance indicators and a comparison of Long Lake's financials in relation to cities of similar size and other Hennepin County cities..

A motion was made by Miner, seconded by Dyvik, to receive and accept the Management Letter and annual City Financial Report for the year ended December 31, 2021 issued by City external auditors, Abdo. Ayes: all.

Approval of Development Agreements for Aava Vetta Project

City Attorney Thames reviewed discussion held at the last Council meeting regarding the proposal by the Aava Vetta project developer to separate and split some of the developer obligations into two separate agreements to be with JMH and with the builder, Custom One Homes. He reported that the agreements have been prepared and he recommends approval of the agreements, but would request that an approving motion allow him to retain the ability to make minor tweaks to the agreements as necessary.

Council member Kvale asked about the statement from an agreement that says 'builder shall install City approved meters'. She noted that it appears to be an obligation of the builder, but it is showing up in the developer's agreement.

Thames responded this is a builder's obligation and does appear in that agreement, but appears in the developer's agreement also as a way to memorialize it and set the stage for the remainder of the paragraph. He noted that the development agreements will be recorded and obligations contained therein will be a part of title.

Council member Dyvik wondered whether the City was applying any 'lessons learned' from past agreements and projects so some of the challenges from the past can be avoided.

Administrator Weske replied that was what was part of the discussion from the last meeting and there will be two separate agreements, two separate escrows, and two separate letters of credit for the separate parties.

Council member Dyvik questioned if there would be sufficient escrow amounts deposited.

City Clerk Moeller recalled that in relation to lessons learned, the City had amended its Code recently to repeal and replace the escrow language section of the consultant development fees chapter to provide stronger mechanisms for collection of escrow.

Thames confirmed that the City is absolutely applying all the lessons that have been learned from other developments.

Council member Kvale expressed concerns and shared some examples of scenarios where she thought there could end up being problems.

Thames pointed out that an important thing to remember is that the financial securities the City will be receiving from the two agreements is greater than it would have been under just one agreement.

Council member Kvale inquired whether there was any way to collect securities in the form of a dedicated bond versus a cash surety or letter of credit.

Thames explained that while it is possible to do so, it is uncommon at this level of development and the method of financial sureties proposed under the agreements is consistent with the most typical way to retain project sureties. He prefers a letter of credit to a bond approach because it means the money is dedicated for the project's specific purpose.

A motion was made by Dyvik, seconded by Miner, to approve Site Development Agreements with JMH Symes Street, LLC and Custom One Homes, LLC, respectively, subject to final revisions by the City Attorney. Ayes: all.

Renaming of Fund 213 – Carp Management Fund

Weske reported that back in January, the Council had created a goal to rename the Carp Management Fund to something that reflects more of the overall intent of the fund. He added that the funds are intended to be utilized for carp management and water quality improvement related projects, so staff is recommending a name change to Water Quality Improvement Fund.

Council member Dyvik was in favor of the idea but would want to make sure it is clear that the fund name is not intended to take away from the current carp management project plans and the City still wants to be supportive of those efforts.

Weske observed that the intent of the fund's renaming was that the money would not solely be used for carp management.

Council member Joyce asked if perhaps the name should be changed to 'Lake Water Quality Improvement Fund'.

Moeller noted that staff has a limited number of characters that can be used for naming funds in the financial system.

The Council discussed other options for names of the fund.

A motion was made by Joyce, seconded by Dyvik, to approve renaming City of Long Lake Fund 213, establishing it as the 'Lake Quality Improvement Fund' to be used for water quality improvement related projects benefitting Long Lake and its tributaries. Ayes: all.

Council member Dyvik recalled that the City did have to reduce the amount budgeted for this fund in 2022 because the Council had reduced the levy a bit. His recollection was that prior discussion had been that as income was received from other sources, such as permit revenue, that some of that revenue could be allocated back into Fund 213. He mentioned that he would like to see the City be able to bring the fund amount back up to the original \$10,000 intended to be budgeted.

Weske believed the City may be able to move some money around for 2022 to increase the fund's balance and suggested that it wait until May when permits come in.

Council member Dyvik noted that he just did not want the conversation about additional contributions to the fund to be forgotten.

Request by Long Lake Waters Association for Support of Spring 2022 Carp Removal Project

Jane Davidson and Janet Schaefer, Long Lake Waters Association (LLWA) representatives, gave an overview of their request for monetary support for spring 2022 carp removal plans. Ms. Davidson gave a presentation highlighting past carp removal efforts, the history of the program, and reviewed the scope and goals of the proposed spring Phase 1 and Phase 2 carp removal projects.

Ms. Schaefer added that the LLWA is continuing to work with the Carp Solutions firm on the proposed carp removal project efforts, and the LLWA is requesting the City of Long Lake consider partnering with them and contributing \$5,000 to assist in funding this year's projects.

Council member Kvale inquired about other funding sources and partners outside of Long Lake.

Ms. Schaefer indicated that the LLWA will also be approaching both the cities of Orono and Medina to request a contribution. They are also actively pursuing donations from the public and business community.

Council members discussed data that has been gathered on carp population and movement to date, details of the spring 2022 Phase 1 and Phase 2 carp removal project plans, how fish are tagged, ownership versus rental of equipment, and other possible funding sources including grants.

Council member Dyvik suggested that the City structure their financial contribution to be allocated towards Phase 2.

Ms. Davidson asked whether the Council would consider a donation with a portion to be dedicated to Phase 1, and a portion dedicated for Phase 2, if Phase 2 is able to move forward.

Council member Dyvik confirmed that he would be willing to support that approach but questioned how confident the LLWA was that they would raise enough funds for Phase 2 to proceed this year.

Ms. Davidson replied that their organization is working very diligently to raise the necessary funds and encouraged the Council to put them in touch with any individuals or businesses who may want to assist in this effort. She shared that the LLWA has received some significant private donations and is hoping that Medina will also kick in some funds, so she is feeling pretty confident in their ability to finance the Phase 2 project.

Council members and staff discussed other possible entities that may be able to make contributions such as the Long Lake Rowing Club, Lions Club, and the local gambling organizations.

Ms. Schaefer highlighted other activities that the LLWA is involved in such as the "Walk for Water" on Earth Day and a lake pledge program, in addition to continued carp management efforts.

A motion was made by Dyvik, seconded by Joyce, to authorize payment in the amount of \$2,000 to the Long Lake Waters Association from Fund 213 for the Spring 2022 Carp Removal and Water Quality Improvement Project for Phase 1, and authorizing payment in the amount of \$3,000 for Phase 2.

The Council and LLWA representatives discussed having a follow up conversation at a future meeting regarding whether the Phase 1 project results supported the Phase 2 project moving ahead, as well as revisiting whether the authorized City contribution for both projects was utilized.

Ayes: all.

OTHER BUSINESS

Next Future Fire Services Discussion - Mayor Miner mentioned that there is a Future Fire Services discussion meeting scheduled for April 6, 2022.

April 2022 CityScene Newsletters – Moeller encouraged residents to view their April 2022 CityScene newsletters for information including content about upcoming community events and spring cleanup opportunities.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 8:31 pm.

Respectfully submitted,

Scott Weske
City Administrator